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British Virgin Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government; and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 11 January 2012. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor William Boyd McCleary (August 2010).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 50 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km^2.

Exclusive economic zone: 80,117 km^2.[a]

Population: 29,537 (2010 estimate), of which some 19 per cent are citizens, or "belongers". The great majority of "non-belongers" hail from countries in the region, North America and Europe.

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent — November 2011; next — December 2015.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $30,282 (2010 estimate).

Economy: Financial services and tourism.

Main trading partners: The United Kingdom, the United States of America and the Caribbean Community (CARICOM).

Unemployment rate: 3.1 per cent.

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawaks and the Caribs, indigenous peoples of the region. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

[a] Exclusive economic zone data from "Sea around Us" Project, a collaboration between the University of British Columbia and the Pew Environment Group (www.seaaroundus.org).

I. Constitutional, political and legal issues

1. Under the Virgin Islands Constitution Order 2007, the British crown appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts. In the areas of internal security and external affairs, the Constitution provides for the territorial Government to have formal input. There is a reservation for the British crown to make laws for the peace, order and good government of the Virgin Islands. In terms of external relations, the British Virgin Islands is entrusted to negotiate treaties in specific areas such as certain offshore financial matters.

2. The 2007 Constitution led to the introduction of a cabinet-style Government. The Cabinet consists of the Premier, appointed by the Governor from among the elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member — the Attorney General. The Governor attends and presides over the Cabinet. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections must be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 7 November 2011, the National Democratic Party, at that time the opposition party, won a majority of seats — 9 out of 13. Its leader, Daniel Orlando Smith, became the new Premier. The Virgin Islands Party won the remaining four seats.

4. The law of the British Virgin Islands comprises the common law of England, locally enacted legislation and imperial legislation. Justice is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. According to the administering Power, there are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a magistrates court, which hears prescribed civil and criminal cases, as well as a juvenile court and a court of summary jurisdiction. The United Kingdom Privy Council is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. Speaking at the Caribbean Regional Seminar, held at Kingstown, Saint Vincent and the Grenadines, from 31 May to 2 June 2011 under the auspices of the Special Committee on Decolonization, the representative of the British Virgin Islands stated, inter alia, that independence was not a matter that was discussed regularly among the people of the Territory, as the arguments in its favour had lost their appeal and the administering Power's action to a large extent fostered the status quo. He added that since the entry into force of the 2007 Constitution, it had become apparent that there was scope for further review of the Constitution with regard to its practical

implementation and the effective operation of the Territory (see www.un.org/en/decolonization/regsem2011.shtml).

II. Budget

6. According to the Government of the British Virgin Islands, the estimated expenditures of the Territory for 2011 amounted to approximately $260 million, including revenues of about $288 million. Expenditures and revenues for 2012 are estimated at $258 million and $287 million, respectively.

7. The Territory collects stamp duties on certain transactions and property taxes; however, there are no income, value added or goods and services taxes. According to the report issued in December 2011 by the Education International Research Institute on behalf of the Council of Global Unions entitled "Global Corporate Taxation and Resources for Quality Public Services", the British Virgin Islands is a jurisdiction with extremely low corporate taxes.

8. Several tax information exchange agreements have been signed by the British Virgin Islands, including with the United Kingdom. According to the administering Power, a tax agreement was signed with the Czech Republic in 2011.

III. Economic conditions

A. General

9. According to information provided by the United Kingdom, the economy of the British Virgin Islands is based largely on offshore financial services, which contribute over half of the gross domestic product (GDP), while tourism contributes about 20 per cent. According to data from the Economist Intelligence Unit, the GDP estimate for 2011 was $1.4 billion, indicating growth of 3.5 per cent. Imports consist mostly of food, machinery and fuel.

B. Financial services

10. According to media reports, approximately 2,900 hedge funds were registered with the British Virgin Islands Financial Services Commission in 2011. According to the aforementioned report issued by the Education International Research Institute, the British Virgin Islands is one of the world's largest corporate investors in China.

C. Tourism

11. In 2011, the tourist sector in the British Virgin Islands continued its efforts to appeal to the high-end traveller. In 2010, approximately 842,000 tourists visited the Territory, including some 501,000 cruise ship visitors, 330,000 overnight visitors and 11,000 visitors. According to the World Travel and Tourism Council, the direct contribution of tourism to the Territory's GDP in 2011 was expected to amount to $276.6 million — about 21.1 per cent of total GDP. In addition, the tourist sector offers about 4,000 jobs, or 24.8 per cent of total employment.

12. In 2011, the Chamber of Commerce and the Hotel Association initiated a $100,000 advertising campaign aimed at attracting more visitors to the Territory. An amendment to the tourist board ordinance granted the tourist board limited authority to raise funds through the sale of souvenirs and other merchandising items. In addition, the territorial Government increased the board's 2011 budget to approximately $15 million.

D. Agriculture and fisheries

13. Agriculture and fishing account for less than 1 per cent of the Territory's GDP. Most food requirements are met through imports. Around 800 ha of land are cultivated, and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced both for local consumption and for export to the United States Virgin Islands.

14. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

15. The British Virgin Islands has more than 200 km of surfaced roads. According to the 2011 Speech from the Throne, the Government of the British Virgin Islands decided to develop a road classification system to help ensure the progressive improvement of the road network.

16. There are three international airports, served by 15 airlines. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road Town. A regular ferry service links Tortola with some of the islands as well as with Saint Thomas in the United States Virgin Islands. According to the Speech from the Throne, the territorial Government will expand and improve the appearance and functionality of existing port facilities, notably through the building of a new ferry terminal at West End.

17. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority. According to the 2011 Speech from the Throne, the Government of the British Virgin Islands has found that the absence of planning regulations has limited the effectiveness of the Act. Consequently, it is working on regulations that would replace the Land Development Control Guidelines 1972 and address such areas as the procedures for environmental impact assessments, the regulation of the subdivision of land and the preservation of buildings and sites.

IV. Social conditions

A. Labour and immigration

18. The labour force of the British Virgin Islands comprises approximately 30 per cent local workers and 70 per cent expatriate workers. The main employers are the

territorial Government, financial services and the tourism and construction sectors. Small businesses provide approximately 50 per cent of the jobs in the Territory.

19. Unemployment increased throughout 2010, particularly among youth. According to the 2011 Speech from the Throne, the development of a national youth policy is a priority of the territorial Government. According to media reports in 2011 the Ministry of Education and Culture invited unemployed youth between the ages of 18 and 30 to register online with a youth unemployment register. The register is expected to help the Government assess the status of disadvantaged and unemployed youth and serve as a medium to support young workers while integrating youth into the labour market.

20. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system — entrance at the primary level and completion at the secondary level — marriage to a belonger for a period of not less than three years and residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character. The number of exemptions granted is considered on an annual basis.

B. Education

21. According to the 2011 Speech from the Throne, when the Education Act was passed in 2004, it was intended that related regulations would follow. Extensive consultations on such regulations were held with stakeholders for a review of recommendations in 2011/12. The regulations are expected to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act, and the conduct of school supervision, including complaint investigations requested by the public.

22. Primary and secondary education is free and compulsory for children between 5 and 16 years of age, and "A-level" education is also free in the British Virgin Islands. There are public and private primary and secondary schools on Tortola, Anegada, Virgin Gorda and Jost Van Dyke. According to the Government of the British Virgin Islands, in 2011 the Territory's secondary-school enrolment rate was between 80 and 90 per cent. The comprehensive H. Lavity Stoutt Community College at Paraquita Bay offers university-parallel, technical-vocational and adult continuing education programmes.

C. Public health

23. According to the Government of the British Virgin Islands, infant mortality is very low and life expectancy is high, at about 80 years. The Health Services Authority of the Territory, an autonomous corporate body, was established in 2005 to manage all public health-care delivery services for the Ministry of Health and Social Development.

24. According to media reports, in 2011 the design of the national health insurance system was under way, with three phases already completed. The Cabinet had decided that the system would be administered as a new division of the Social Security Board.

25. According to the 2011 Speech from the Throne, the territorial Government recognized the need to improve the standard and delivery of mental health services throughout the Territory. To that end, a review of the mental health system was conducted in the light of modern advances in the field of psychiatry and relevant international human rights commitments and obligations, with assistance from the Pan American Health Organization.

26. The United Nations Children's Fund provides general background information with respect to the British Virgin Islands in its draft Eastern Caribbean multi-country programme document.

D. Crime and public safety

27. During 2010 and 2011, the British Virgin Islands Government, with support from the Royal Virgin Islands Police Force, continued to address violent, organized and petty crime in the Territory. Further, according to the 2011 Speech from the Throne, the territorial Government is determined to maintain a transparent financial services industry, including with respect to the registration and monitoring of non-profit organizations and Non-Governmental Organizations to deter their use as vehicles for terrorist financing.

28. In its October 2010 report entitled "Money Laundering Using Trust and Company Service Providers", the Financial Action Task Force, an independent intergovernmental body that develops and promotes policies to protect the global financial system against money-laundering and terrorist financing, provided general background information on money-laundering with respect to the British Virgin Islands. In a 2011 World Bank staff report entitled *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do about It* presented information on past grand corruption cases, including some involving the Territory.

29. With regard to security matters, the administering Power decided in 2011 to deploy a specially equipped Royal Fleet Auxiliary to support disaster relief and counter-narcotics programmes in the Caribbean overseas territories of the United Kingdom, as part of the implementation of decisions reflected in its 2010 Strategic Defence and Security Review.

E. Human rights

30. In 2011, a national policy on gender equity and equality was developed. Some of the objectives include the education and change of public attitudes on gender roles and responsibilities and the development of new strategies to eliminate domestic and other forms of gender-based violence and discrimination in the Territory.

31. The following major human rights conventions have been extended to the British Virgin Islands: the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Convention on the Rights of the Child, the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the

Elimination of All Forms of Discrimination against Women and the European Convention on Human Rights.

V. Environment

32. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands.

33. The Conservation and Fisheries Department of the Territory's Ministry of Natural Resources and Labour is responsible for the sustainable management of the Territory's natural resources. Adapting the Territory to climate change and the multiple threats it poses to terrestrial and marine life are important parts of the Ministry's mandate. Under the auspices of the Review of the Economics of Climate Change in the Caribbean project, the Department in 2011 hosted a technical training workshop facilitated by the Economic Commission for Latin America and the Caribbean (ECLAC) on climate change and its economic impact on the marine and coastal areas of the British Virgin Islands. Under the Comprehensive Disaster Management Work Programme, a workshop was held in 2011 to develop climate-smart work programmes and to identify existing and alternative adaptation options for the Territory.

34. In January 2012, the Department for Environment, Food and Rural Affairs of the United Kingdom issued a paper entitled "The environment in the United Kingdom's overseas territories: UK Government and civil society support" on the advice and support available to the Territories in areas of its competency, and highlighted the availability of departmental funds for that purpose.

VI. Relations with international organizations and partners

35. The British Virgin Islands has associate membership in ECLAC, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

36. The Territory is an associate member of CARICOM, the Caribbean Common Market, and the Organization of Eastern Caribbean States and is a borrowing member of the Caribbean Development Bank. A joint observer mission was organized by CARICOM and the Commonwealth Parliamentary Association in connection with the 2011 general elections.

37. As a Non-Self-Governing Territory of the United Kingdom, the British Virgin Islands is associated with the European Union but is not a part of it.

38. In 2011, the Premier of the British Virgin Islands and the Governor of the United States Virgin Islands participated in the fourth meeting of the Inter-Virgin Islands Council, which was held for the first time at the level of heads of territorial Governments. According to official sources, a memorandum of understanding was signed with law enforcement agencies in the area of ballistics. Internal reports were received on law enforcement, disaster preparedness, the scope for cooperation on inter-island transportation and fisheries management. Both Territories pledged to

continue and strengthen cooperation through the Council. The next meeting is scheduled to be held in the United States Virgin Islands in 2012.

VII. Future status of the Territory

A. Position of the territorial Government

39. The position of the territorial Government regarding the future status of the British Virgin Islands is reflected above under section I on constitutional issues.

B. Position of the administering Power

40. According to the record of a meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-sixth session of the General Assembly (A/C.4/66/SR.2), on 3 October 2011 the representative of the United Kingdom said that the relationship of his Government with its Overseas Territories was a modern one based on partnership, shared values and the right of each Territory to determine whether it wished to remain linked to the United Kingdom or not. Where independence was an option and was the clear and constitutionally expressed wish of the people of a Territory, his Government would help that Territory to achieve it. Where a Territory wished to retain its link to the United Kingdom, his Government would remain committed to its future development and continued security.

41. The speaker went on to say that the Foreign Secretary of the United Kingdom had recently announced the Government's new strategy towards Overseas Territories. The time was not right to embark on further constitutional change. Rather, his Government was focusing on three practical policy goals: to strengthen interaction between the United Kingdom and its Territories; to work with the Territories to strengthen good governance, public financial management and economic planning where necessary; and to improve the support available to the Territories. The implementation of the new strategy would take different forms in each Territory, and a public consultation exercise had been launched in order to encourage the Territories and other stakeholders to contribute their views on priorities. The outcome of the exercise would inform the white paper on the Territories that the British Government intended to publish in 2012. The British Government was committed to allowing each Territory to run its own affairs as far as possible, which entailed responsibilities and good governance on the part of the Territory. The speaker further stressed that "where high standards of probity and governance were not maintained, the United Kingdom did not hesitate to intervene".

C. Action by the General Assembly

42. On 9 December 2011, the General Assembly adopted without a vote resolutions 66/89 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/66/23) and its subsequent consideration by the Fourth Committee. Section IV of resolution 66/89 B concerns the British Virgin Islands, the operative part of which reads:

The General Assembly ...

1. *Recalls* the Constitution of the British Virgin Islands, which took effect in 2007, and stresses the importance of continued discussions on constitutional matters, to accord greater responsibility to the territorial Government for the effective implementation of the 2007 Constitution;

2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 b of the Charter of the United Nations, and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

3. *Welcomes* the efforts made by the Territory to strengthen its financial services regulatory regime and to seek new, non-traditional markets for its tourism industry;

4. *Also welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

5. *Further welcomes* the holding, for the first time at the level of heads of territorial Government, on 12 May 2011, of the meeting of the Inter-Virgin Islands Council between the Territory and the United States Virgin Islands.